

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7560**

**BILL NUMBER:** HB 1548

**NOTE PREPARED:** Jan 14, 2005

**BILL AMENDED:**

**SUBJECT:** Railroad Car Maintenance and Improvement Credit.

**FIRST AUTHOR:** Rep. Ayres

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill repeals the credit for railroad car maintenance and improvements.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** This bill would repeal a property tax credit equal to a railroad car company's expenses in Indiana for maintenance and improvements on rail cars owned or used by the taxpayer. The credit for the last 3 years has averaged about \$2.5 M. The repeal of the credit would increase revenue for the Northern Indiana Commuter Transportation District.

*Background:* Each credit can not exceed 25% of a taxpayer's property tax liability on rail cars and the total credits for all taxpayers is limited to \$2.8 million. If more than \$2.8 million in credits are claimed in a year, each taxpayer's claim would be reduced on a pro-rata basis.

Qualified expenses currently include expenditures for labor, materials, overhead and payments to others for performing maintenance and improvements. Repairs and improvements are currently made at repair facilities and at railroad yards.

The revenue to the district from rail car companies for FY 2004 was about \$3.5M.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Northern Indiana Commuter Transportation District.

**Local Agencies Affected:**

**Information Sources:** Indiana Handbook of Taxes, Revenue, and Appropriations, Cender & Company, bond analysis 2004.

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